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FISCAL IMPACT STATEMENT

LS 6902

BILL NUMBER: HB 1241

NOTE PREPARED: Dec 27, 2002

BILL AMENDED:

SUBJECT: Average Weekly Wage for Worker's Compensation.

FIRST AUTHOR: Rep. Kuzman

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill modifies the average weekly wage for an employee who sustains a compensable injury or occupational disease after a prior period of disability. It provides a credit for Second Injury Fund assessments to an employer who pays increased benefits because of the modification.

Effective Date: July 1, 2003.

Explanation of State Expenditures: The Worker's Compensation Board does not have data on the number of people who suffer a later period of disability due to a prior injury that was compensated. The bill would increase the benefits by whatever salary adjustment the person had received since returning to work. The benefits would be subject to the maximum average weekly wage limitations.

The impact on the state is as an employer. The state is self-insured, so the impact would equal any increase in benefits at the time of the second disability.

Compensation paid to state employees, exclusive of medical benefits, totaled \$3.4 M in FY 1998, \$3.7 M in FY 1999, \$3.9 M in FY 2000, \$4.5 M in FY 2001, and \$5.3 M in FY 2002.

Explanation of State Revenues: The bill provides for a credit to an employer for an assessment made to the Second Injury Fund for payment to an employee who was injured prior to January 1, 2004, and sustained a later period of disability entitling the employee to an increase in the average weekly wage. The impact would reduce revenue to the Second Injury Fund by an unknown amount.

Explanation of Local Expenditures: The local impact would be on local units of government as an

employer.

Explanation of Local Revenues:

State Agencies Affected: Worker's Compensation Board, All Agencies.

Local Agencies Affected: All Local Units of Government.

Information Sources:

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